



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1344

Introduced 1/31/2023, by Rep. Lance Yednock

SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who make a qualified donation of a crop to a food bank or other charitable organization in Illinois. Provides that the amount of the credit shall be 15% of the value of the quantity of the crop donated. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB103 05777 HLH 50797 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Crop donation credit.

8 (a) For taxable years beginning on or after January 1,
9 2024, each taxpayer that makes a qualified donation of a crop
10 is allowed a credit against the tax imposed by subsections (a)
11 and (b) of Section 201 to the extent that such amounts have not
12 been deducted for the purposes of calculating the taxpayer's
13 federal adjusted gross income. In the case of a qualified
14 donation made under the circumstances described in either item
15 (1) or (2) of the definition of "qualified donation" set forth
16 in subsection (d) of this Section, the amount of the credit
17 shall be 15% of the value of the quantity of the crop donated,
18 computed at the wholesale market price. In the case of a
19 qualified donation made under the circumstances described in
20 item (3) of the definition of "qualified donation" set forth
21 in subsection (d) of this Section, the amount of the credit
22 shall be 15% of the value of the quantity of the crop donated,
23 computed at the wholesale market price that the grower would

1 have received had the quantity of crop donated been sold or
2 salable.

3 (b) For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies, if
5 the liability company is treated as a partnership for purposes
6 of federal and State income taxation, the credit under this
7 Section shall be determined in accordance with the
8 determination of income and distributive share of income under
9 Sections 702 and 704 and Subchapter S of the Internal Revenue
10 Code.

11 (c) In no event shall a credit under this Section reduce
12 the taxpayer's liability to less than zero. If the amount of
13 the credit exceeds the tax liability for the year, the excess
14 may be carried forward and applied to the tax liability of the
15 5 taxable years following the excess credit year. The tax
16 credit shall be applied to the earliest year for which there is
17 a tax liability. If there are credits for more than one year
18 that are available to offset a liability, the earlier credit
19 shall be applied first.

20 (d) As used in this Section:

21 "Apparently wholesome food" means:

22 (1) food fit for human consumption; and

23 (2) food that meets all quality and labeling standards
24 imposed by federal, State, or local laws, even though the
25 food may not be readily marketable due to appearance, age,
26 freshness, grade, size, surplus, or other condition.

1 "Crop" means an agricultural crop producing food for human
2 consumption and includes, but is not limited to, bedding
3 plants that produce food, orchard stock intended for the
4 production of food, and livestock that may be processed into
5 food for human consumption.

6 "Food bank or other charitable organization" means any
7 organization located in this State, including, but not limited
8 to, a gleaning cooperative, that is exempt from federal income
9 taxes under section 501(c)(3) of the Internal Revenue Code and
10 that has as a principal or ongoing purpose the distribution of
11 food to children or homeless, unemployed, elderly, or
12 low-income individuals.

13 "Qualified donation" means the harvest or post-harvest
14 contribution in Illinois of a crop or a portion of a crop grown
15 primarily to be sold for cash and donated by the grower of the
16 crop to a food bank or other charitable organization engaged
17 in the distribution of food without charge while the crop is
18 still usable as food for human consumption and:

19 (1) the grower of the crop has supplied any crop
20 contract quota with the wholesale or retail buyer;

21 (2) if the grower of the crop is a party to a
22 contingent supply contract, the wholesale or retail buyer
23 reduces the crop quota that was reasonably anticipated to
24 be supplied by the grower; or

25 (3) the grower of the crop otherwise determines to
26 make a donation of apparently wholesome food.

1 "Wholesale market price" means the market price determined
2 either by:

3 (1) the amount paid to the grower by the last previous
4 cash buyer of the particular crop; or

5 (2) in the event there is no previous cash buyer, a
6 market price based upon the market price of the nearest
7 regional wholesale buyer or the regional U-Pick market
8 price.

9 (e) This Section is exempt from the provisions of Section
10 250.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.